

income taxes. So really there is little comparison between Nebraska and other states. We have the simplified form. Other states have developed their own income taxes and so forth. Therefore, it's really hard to show any sort of comparison.

SENATOR CULLAN: Senator Newell, Senator Murphy mentioned, in his argument, that the present tax structure in Nebraska would be one that would be designed against corporations and thereby prevent some that might otherwise come to Nebraska from coming to Nebraska. Would you, or could you possibly refute an argument like that?

SENATOR NEWELL: Oh yes. I don't think that's true at all. The only way, in my opinion, Senator Murphy can make that statement is if you don't tax corporations, therefore there is an incentive to come. That is basically what he's doing. He's going to cut the taxes. They're not paying more than their fair share now. In fact, I think they're paying less than their fair share. But as Senator Murphy has stated, and I think he sincerely believes this, if you don't tax corporations there would be incentive to come here. He's trying to lessen the tax on corporations. That is exactly what it is.

SENATOR CULLAN: Do you believe that tax on corporations in Nebraska is....

SENATOR NEWELL: Every state in the union taxes corporations. Most of them tax to a much greater extent than Nebraska. We've got one of the lower corporation taxes in the country. We're not out of line in terms of competing with other states. There are a lot of other reasons why corporations locate in the state. If you look at.... Because of the advent of the personal property taxes, most states, when they exempt personal property taxes, as we have done in the State of Nebraska, they raise the lost revenues from the corporate income tax. That's not been done in Nebraska. We have some tremendous and very attractive tax advantages for corporations in this state that ought to attract corporations. The only problem we would have is that we're not in the sun belt. Energy costs are higher in Nebraska and so forth, that is the reason we have.... You know.

SENATOR CULLAN: Thank you very much for your assistance, Senator Newell.

SPEAKER LUEDTKE: Chair recognizes Senator Frank Lewis.

SENATOR F. LEWIS: Mr. President, this is the series of running arguments of this perfect system of taxation that we created. The Board of Equalization, both through the remarks you just heard from the distinguished Governor and the tax setting, is the problem created by the failure of bodies to belly up to what the issues are. We went through this once before. The reason it was passed once before was there was going to be a triggering of the tax at that time. In fact, as I recall the whole process, I put that on and I pointed that out. Senator Duis had it removed in a tight vote. Suddenly everybody just discovered if it wasn't done in that particular fashion that the taxes would increase. It would trigger an increase. Once that was all you had to say, trigger an increase, and the hands grabbed for those buttons like you wouldn't believe. I've never seen them so fast. The whole problem, Senator Dworak and you may want to